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A concise easily digested periodic analysis based upon scientific research in real estate fundamentals and trends. Constantly measuring and reporting the basic economic factors responsible for changes in trends and values. ...Current Studies.... Surveys....Forecasts

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REAL ESTATE ECONOMISTS, APPRAISERS AND COUNSELORS

FORECLOSURE FLUCTUATIONS IN 84 CITIES

THE series of charts on pages 206 through 212 shows the foreclosure rate in 84 cities. In making this study we have taken the actual number of foreclosures in each city, corrected these figures to eliminate seasonal variations, and put the corrected figures on an index basis. For this reason the charts show the fluctuations of the foreclosure rate rather than the number of foreclosures.

The original figures include all foreclosures of the county in which the cities are located. Therefore, most of the cities have a few farm foreclosures included in their totals. Farm foreclosures, however, contribute very little to the figures used in this study.

The length of time necessary to foreclose, the redemption period, and the foreclosure costs are so variable that on most of the charts we have shown the range of time or cost into which fall most of the foreclosures in that city. We do this because there is not room on the charts to show the various legal clauses dealing with the time that must elapse before foreclosure can be completed. For instance, in Oklahoma the length of foreclosure time varies with whether or not appraisement of the property is waived in the mortgage. If it is waived, in the absence of contest, then foreclosure may be completed in approximately ten months. Where property is sold with appraisement, in the absence of contest, the case may be completed in approximately four months.

We have found that the only available foreclosure figures on Omaha include large numbers of junior tax liens. We are trying to sift these tax liens from the totals, but have not yet been able to do so. For this reason we have omitted Omaha from this report. When we are able to show reliable figures on that city, we will reincorporate them in our reports.

In certain sections of the country where foreclosure time is particularly long, the practice of making contract sales has developed. This device circumvents the long foreclosure proceedings by setting forth the condition of the sale in contract form and withholding title from the purchaser until the terms of the contract are met. In case of payment default, the contract becomes voidable and no foreclosure is necessary because the title has not changed hands.

In areas where this method of transfer is used, the foreclosure rate should be lower and show less violent fluctuations than in those areas in which mortgages and deeds of trust are used in property transfers.

(cont. on page 213)

IMPROVED FARMING AND OUR STANDARD OF LIVING

THE steady rise in our nation's standard of living is attributable in no small part to the almost continuous agricultural progress made since the early 1800's. These gains have not been confined to any one branch of agriculture as new and better farm machinery, improved types of seeds and superior breeds of livestock, more effective weed and insect control and new management techniques have emerged from years of research and invention. Starting with the invention of the cotton gin and the reaper and the introduction of winter wheat, and extending through the years to the development of the mechanical cotton picker, the weed-killing flame thrower, hybrid seeds and DDT, the scientist and inventor have led the way to our increasingly bountiful agriculture. As they have in other types of industry, science and research have aimed at showing how to do a better job of farming.

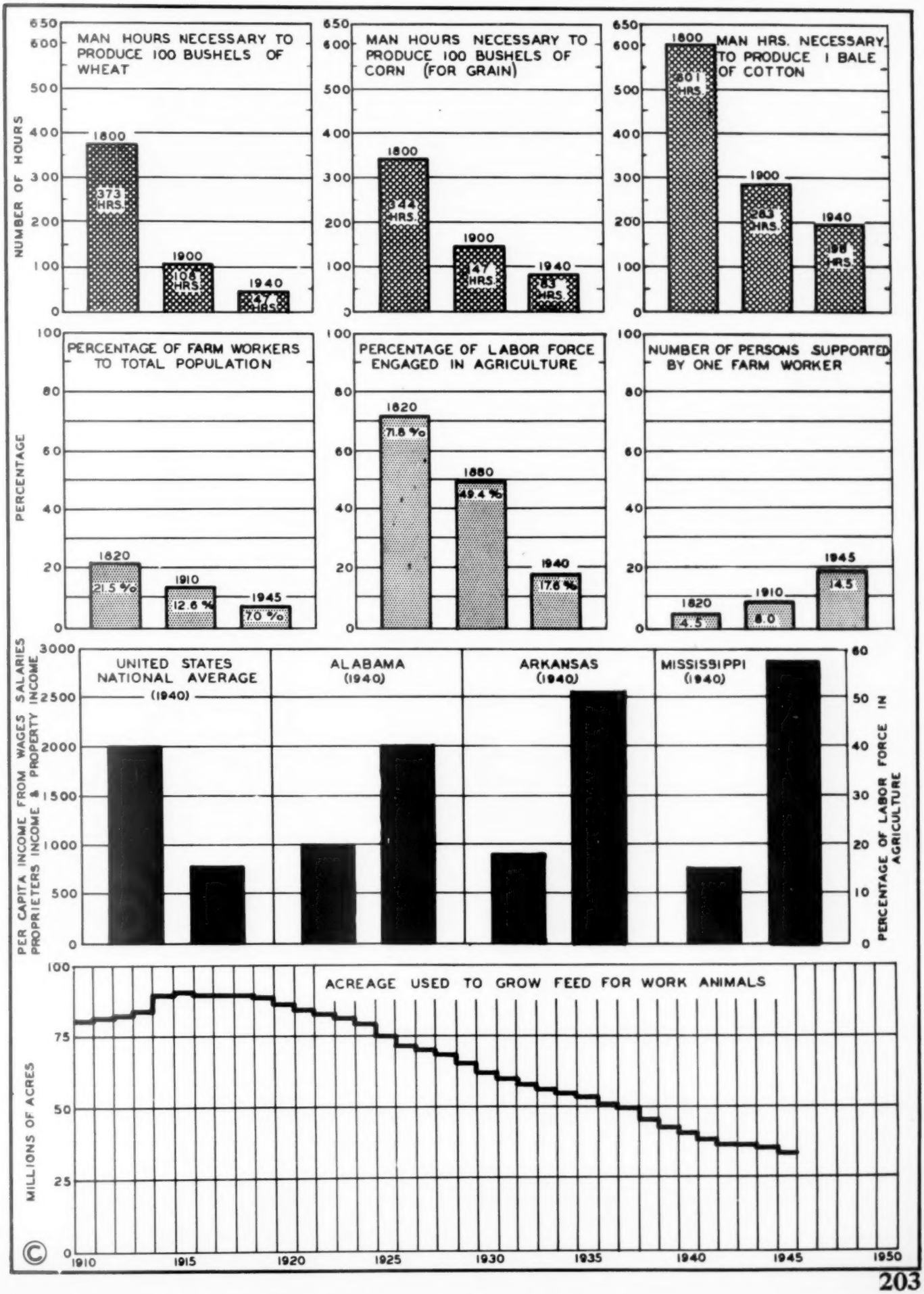
That these efforts have proved successful is illustrated in part by the chart at the top of page 203. These charts show the man hours necessary to produce given quantities of three of our most important crops. Man hour requirements to produce 100 bushels of wheat were reduced by 87 per cent from the year 1800 to 1940. Man hours to produce 100 bushels of corn (grain) were reduced 76 per cent, and requirements to produce a bale of cotton were reduced 68 per cent. This last item will be reduced still further by the use of the new cotton picker.

The second chart on page 203 shows how the reduction in man hour requirements to produce food and fiber for the nation has affected the farm labor population. In 1820, 21.5 per cent of our total population were farm workers; by 1945 the figure had shrunk to 7 per cent. In 1820, 72 per cent of our entire labor force was engaged in agriculture, while in 1940, only 18 per cent was so employed. In 1820 each farm worker produced only enough food and fiber for 4.5 persons, while in 1945 he produced enough for 14.5 persons. In the early years, diet and clothing requirements were much simpler than they are today; therefore, this increase in the number of persons supported by each farm worker is all the more impressive. Early figures on acres of crops harvested are not very reliable due to lack of knowledge regarding crop failures, but in 1910, 26.8 acres of farm lands were harvested per farm worker and in 1945, 36.3 acres per worker were harvested.

Almost since the beginning of our country's history the trend, with rare exceptions, has been for workers to move from the farms to the city; from agriculture to the production of nonagricultural goods and services. As the production of these nonagricultural goods and services increased, or the more industrialized our nation became, the higher rose our standard of living. That this mass "from-the-farm" movement did not impair our nation's ability to produce abundant food and fiber both for domestic and foreign consumption, is in itself a broad picture of our agricultural progress.

It is impossible for a nation to enjoy a high standard of living so long as a large proportion of its workers are farm labor. One does not have to leave the boundaries of our country to see the effects that a high concentration of farm workers has on a region. The third chart on page 203 shows the relationship between per capita incomes and the percentage of the labor force engaged in agriculture in three south-

(cont. on page 213)

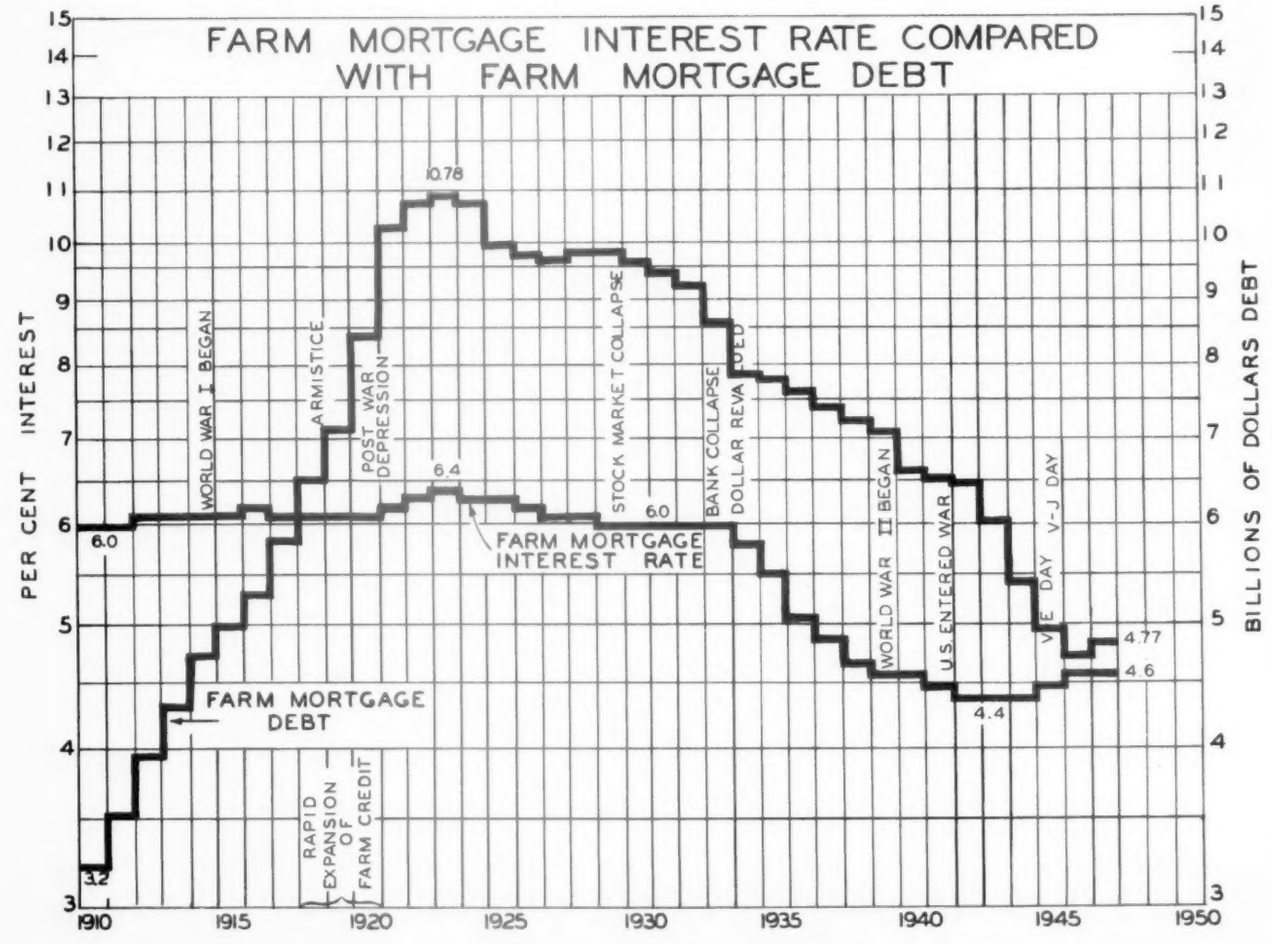

MAN HOURS NECESSARY TO PRODUCE 100 BUSHELS OF WHEAT
1800
373 HRS.
1900
106 HRS.
1940
4 HRS.
MAN HOURS NECESSARY TO PRODUCE 100 BUSHELS OF CORN (FOR GRAIN)
1800
344 HRS.
1900
147 HRS.
1940
83 HRS.
MAN HRS. NECESSARY TO PRODUCE 1 BALE OF COTTON
1800
601 HRS.
1900
283 HRS.
1940
198 HRS.
NUMBER OF HOURS
PERCENTAGE OF FARM WORKERS TO TOTAL POPULATION
1820
21.5 %
1910
12.6 %
1945
7.0 %
PERCENTAGE OF LABOR FORCE ENGAGED IN AGRICULTURE
1820
71.8 %
1880
49.4 %
1940
17.6 %
NUMBER OF PERSONS SUPPORTED BY ONE FARM WORKER
1820
4.5
1910
8.0
1945
14.5
PERCENTAGE
UNITED STATES NATIONAL AVERAGE (1940)
ALABAMA (1940)
ARKANSAS (1940)
MISSISSIPPI (1940)
PER CAPITA INCOME FROM WAGES SALARIES PROPRIETERS INCOME & PROPERTY INCOME
PERCENTAGE OF LABOR FORCE IN AGRICULTURE
ACREAGE USED TO GROW FEED FOR WORK ANIMALS
MILLIONS OF ACRES
1910
1915
1920
1925
1930
1935
1940
1945
1950

PERCENTAGE OF FARM DEBT AT NEW LOW

ALTHOUGH farm debt increased slightly in 1947 over its recent low of 1946 and will probably increase slightly again in 1948, it is still lower than at any other time since 1914. Recent figures show that the real estate farm debt in the country amounted to $4.77 billion against a real estate farm value of $58.6 billion in 1947. Therefore in 1947, farm debt amounted to only 8.1 per cent of farm values. When these figures are compared with those of the last peak farm year (1920) one finds a debt of $8.4 billion against a value of $66.3 billion. So in 1920, farm debt amounted to 12.7 per cent of farm values.

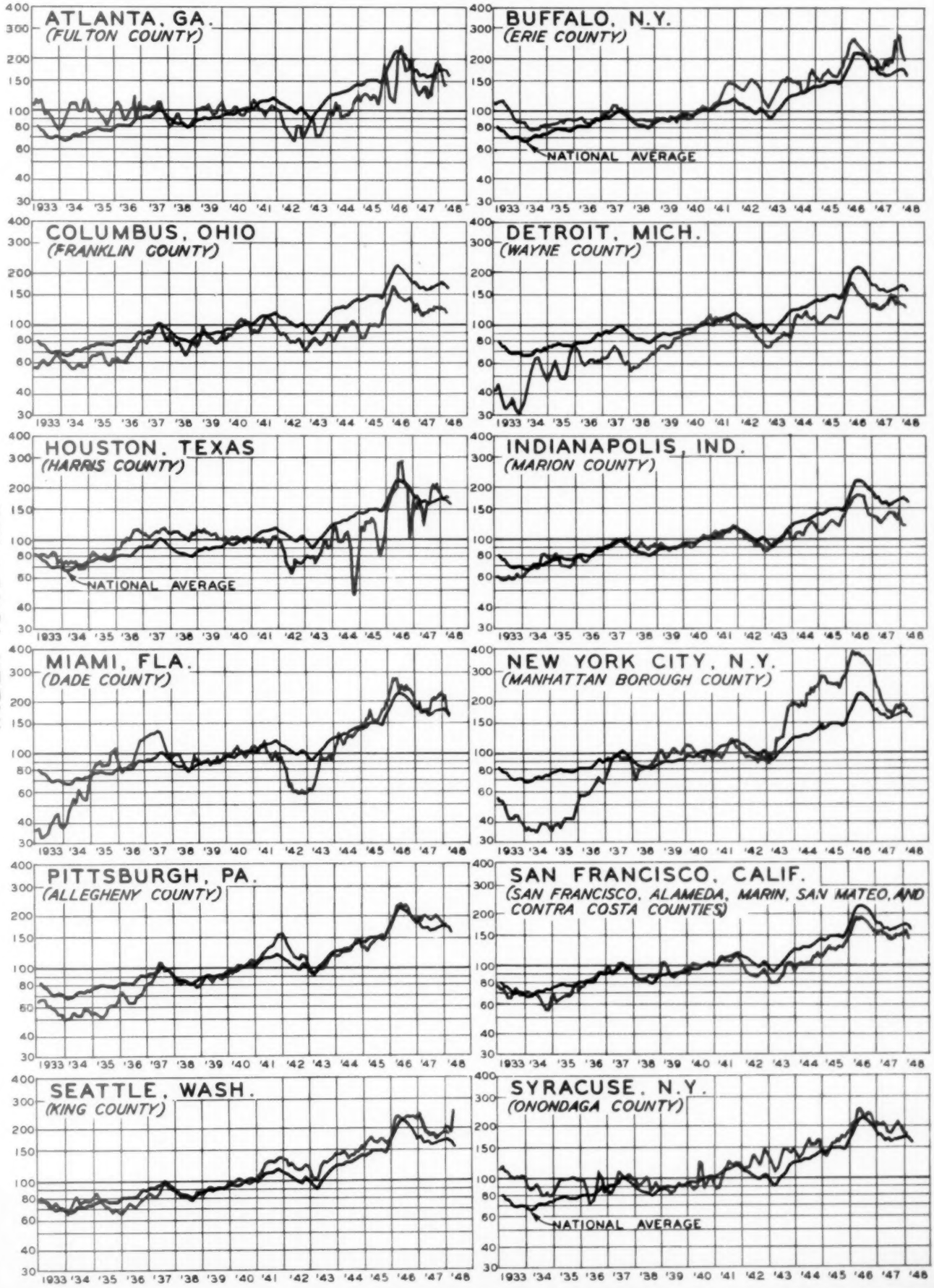
This healthy condition of farm finances has been largely brought about by the tremendous increases in farm incomes. Prior to the present boom, the best year the farmers had was 1919 when their cash income from farm marketing reached $14.6 billion. In contrast, 1947 cash income from farm marketing reached $30.2 billion.

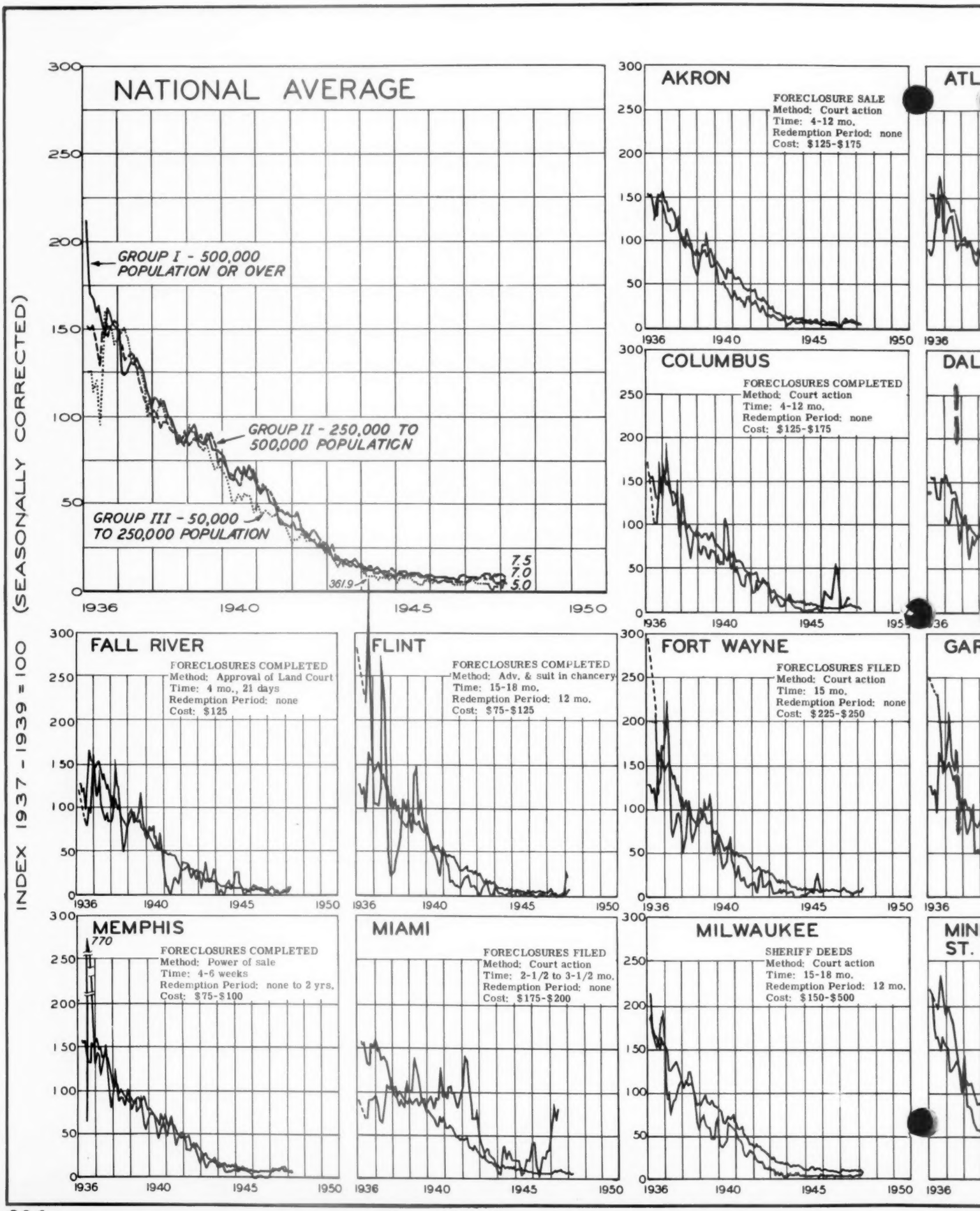
Farm interest rates have been creeping up with other interest rates and will continue to do so for the next several years. Although farm financing shows signs of a trend toward thinner equities, we believe that farm debt will not approach the $10.78 billion total of 1923 for many years to come. Practically all phases of the farm finance situation appear to be very healthy and we repeat that we expect the farmers to come through the eventual depression in much better shape than they did the last.



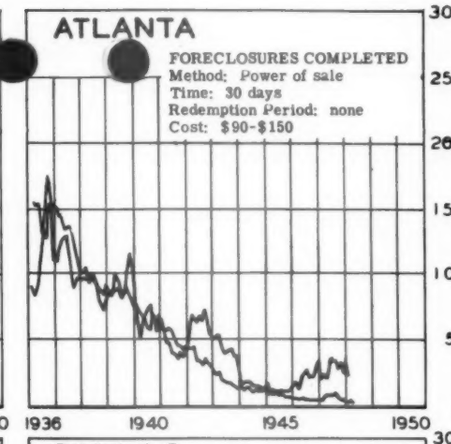
REAL ESTATE TRANSFERS IN PRINCIPAL CITIES

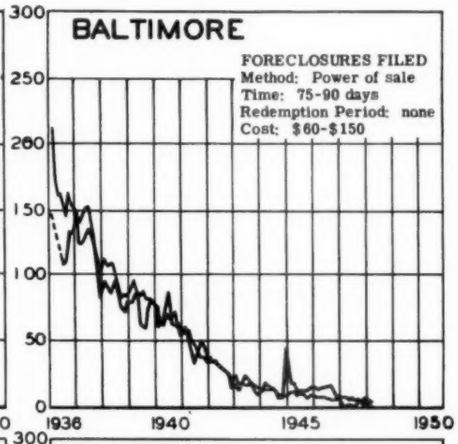
INDEX 1940 = 100

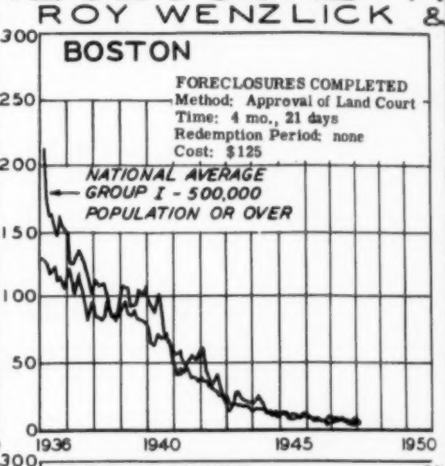


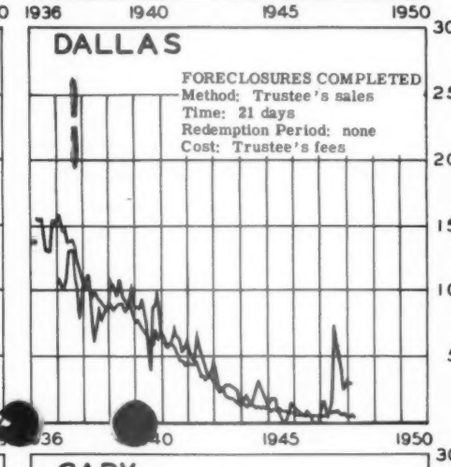

INDEX 1937 - 1939 = 100 (SEASONALLY CORRECTED)
NATIONAL AVERAGE
GROUP I - 500,000 POPULATION OR OVER
GROUP II - 250,000 TO 500,000 POPULATION
GROUP III - 50,000 TO 250,000 POPULATION
361.9
7.5
7.0
5.0
AKRON
FORECLOSURE SALE
Method: Court action
Time: 4-12 mo.
Redemption Period: none
Cost: $125-$175
COLUMBUS
FORECLOSURES COMPLETED
Method: Court action
Time: 4-12 mo.
Redemption Period: none
Cost: $125-$175
FALL RIVER
FORECLOSURES COMPLETED
Method: Approval of Land Court
Time: 4 mo., 21 days
Redemption Period: none
Cost: $125
FLINT
FORECLOSURES COMPLETED
Method: Adv. & suit in chancery
Time: 15-18 mo.
Redemption Period: 12 mo.
Cost: $75-$125
FORT WAYNE
FORECLOSURES FILED
Method: Court action
Time: 15 mo.
Redemption Period: none
Cost: $225-$250
MEMPHIS
770
FORECLOSURES COMPLETED
Method: Power of sale
Time: 4-6 weeks
Redemption Period: none to 2 yrs.
Cost: $75-$100
MIAMI
FORECLOSURES FILED
Method: Court action
Time: 2-1/2 to 3-1/2 mo.
Redemption Period: none
Cost: $175-$200
MILWAUKEE
SHERIFF DEEDS
Method: Court action
Time: 15-18 mo.
Redemption Period: 12 mo.
Cost: $150-$500
1936
1940
1945
1950

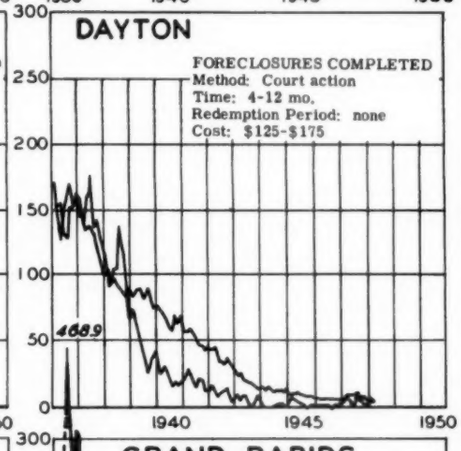
FLUCTUATIONS IN THE FORECLOSURE R

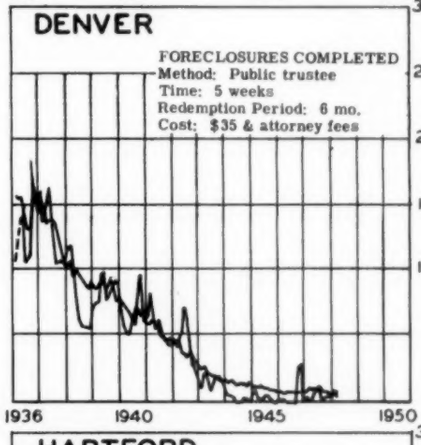


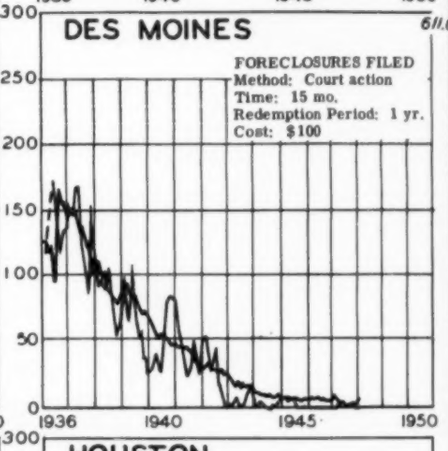


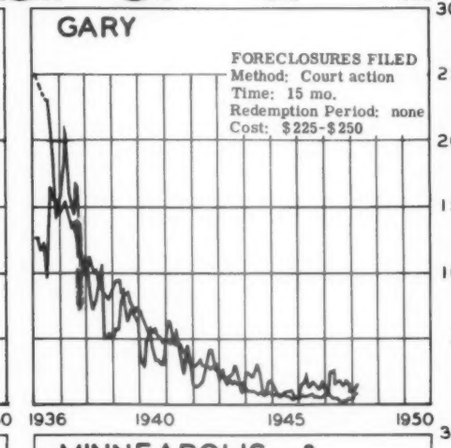


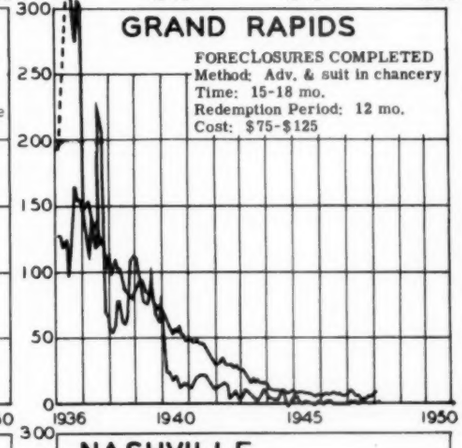


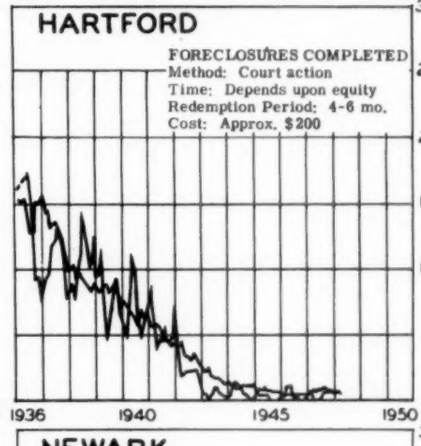


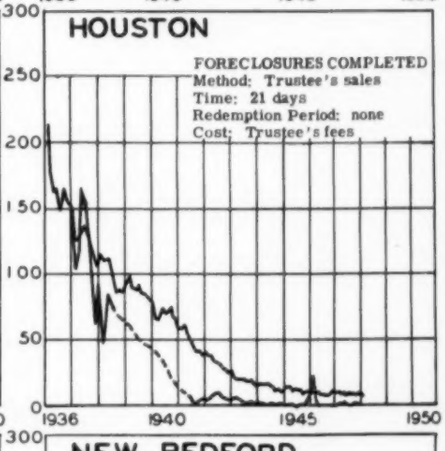


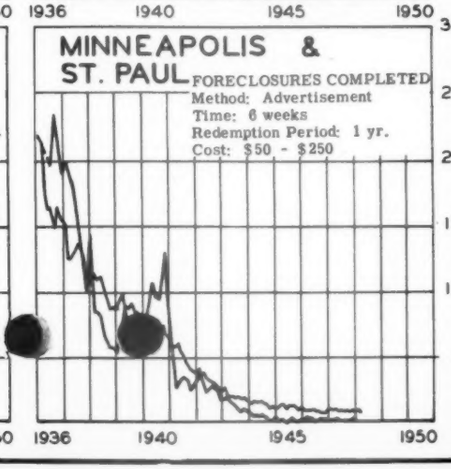


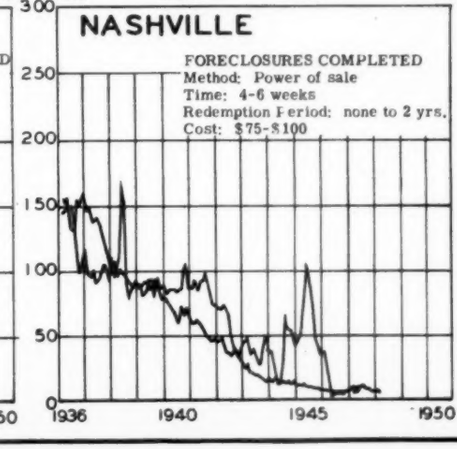


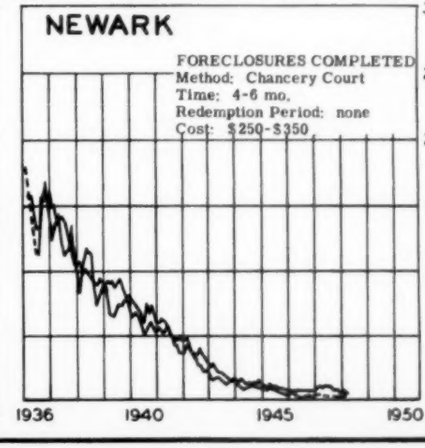


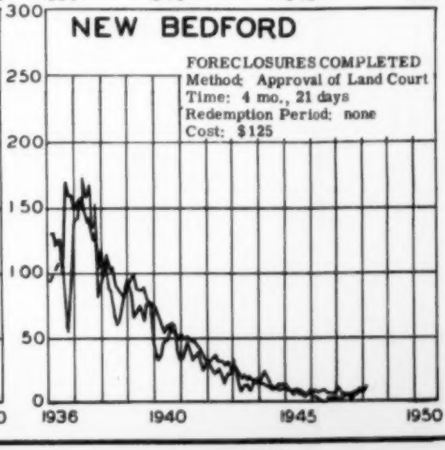






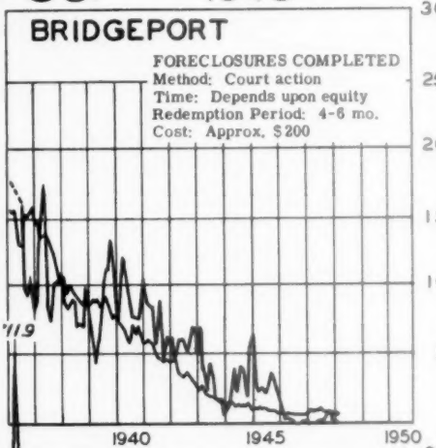


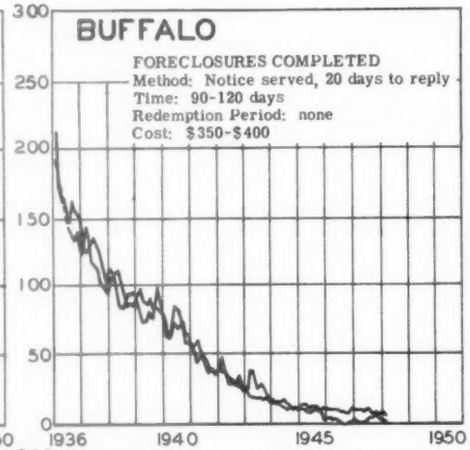


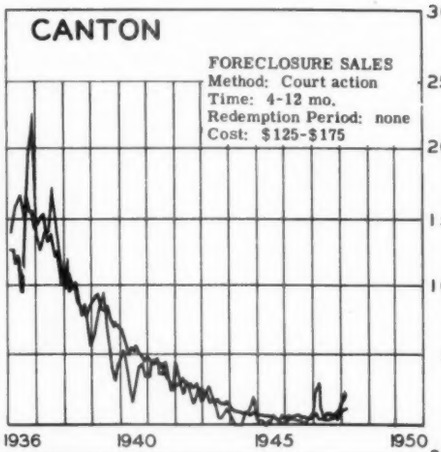


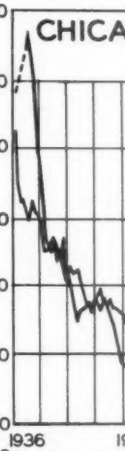
RE RATE BY PRINCIPAL CITIES

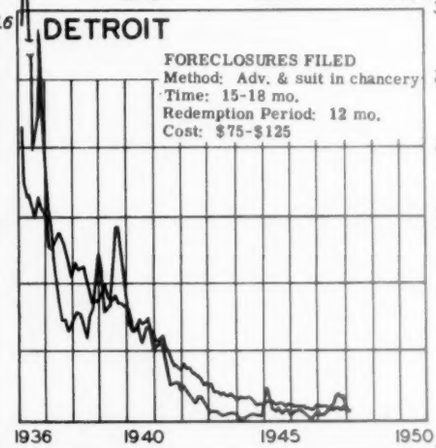
ICK & CO. – 1948

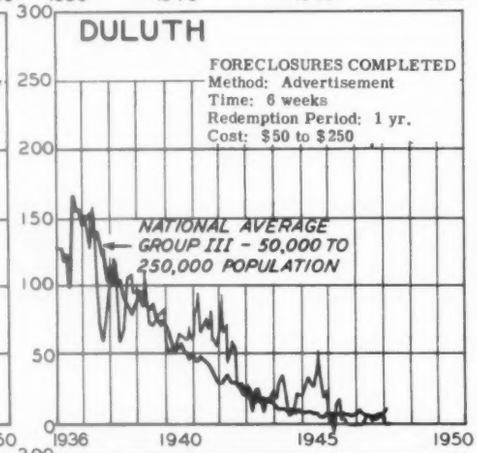


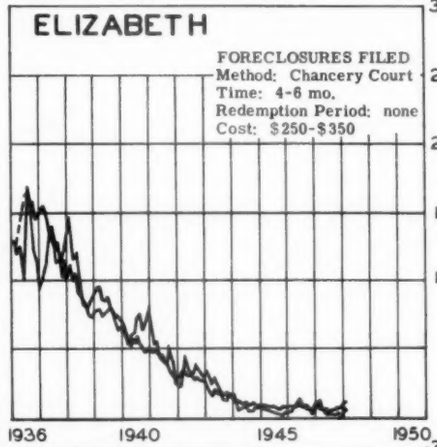


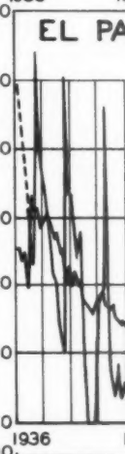


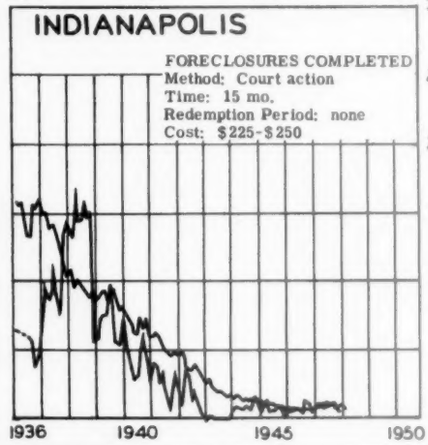


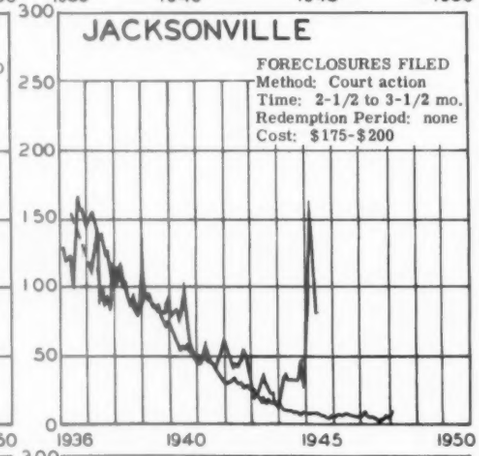


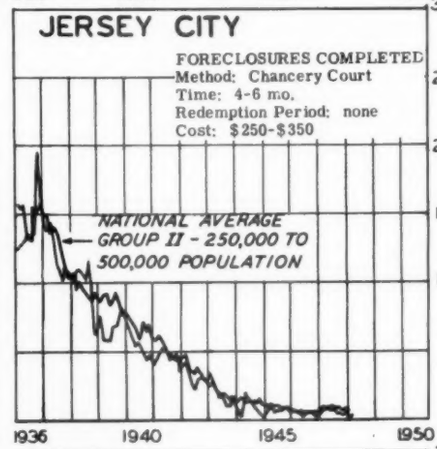


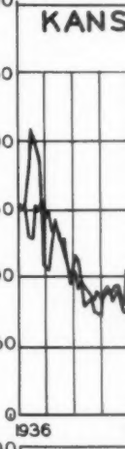


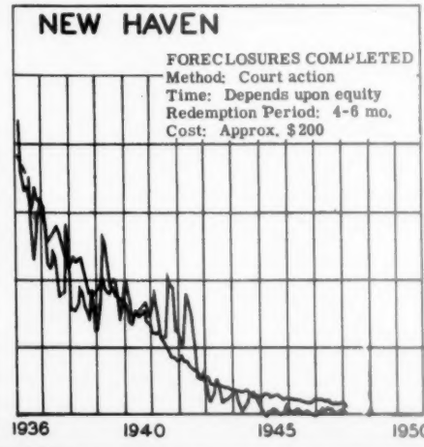


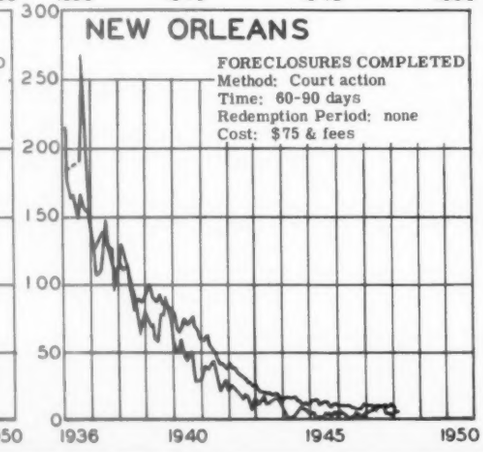


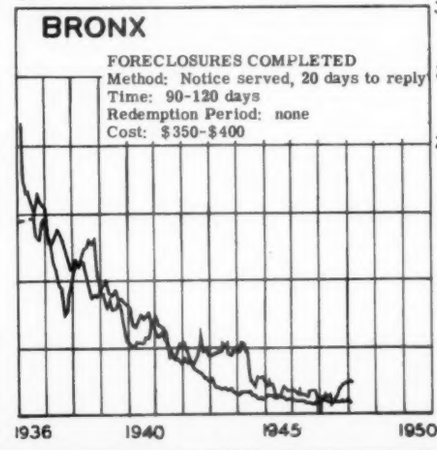


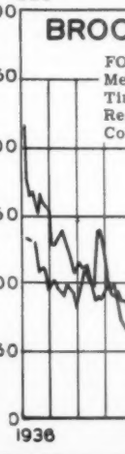


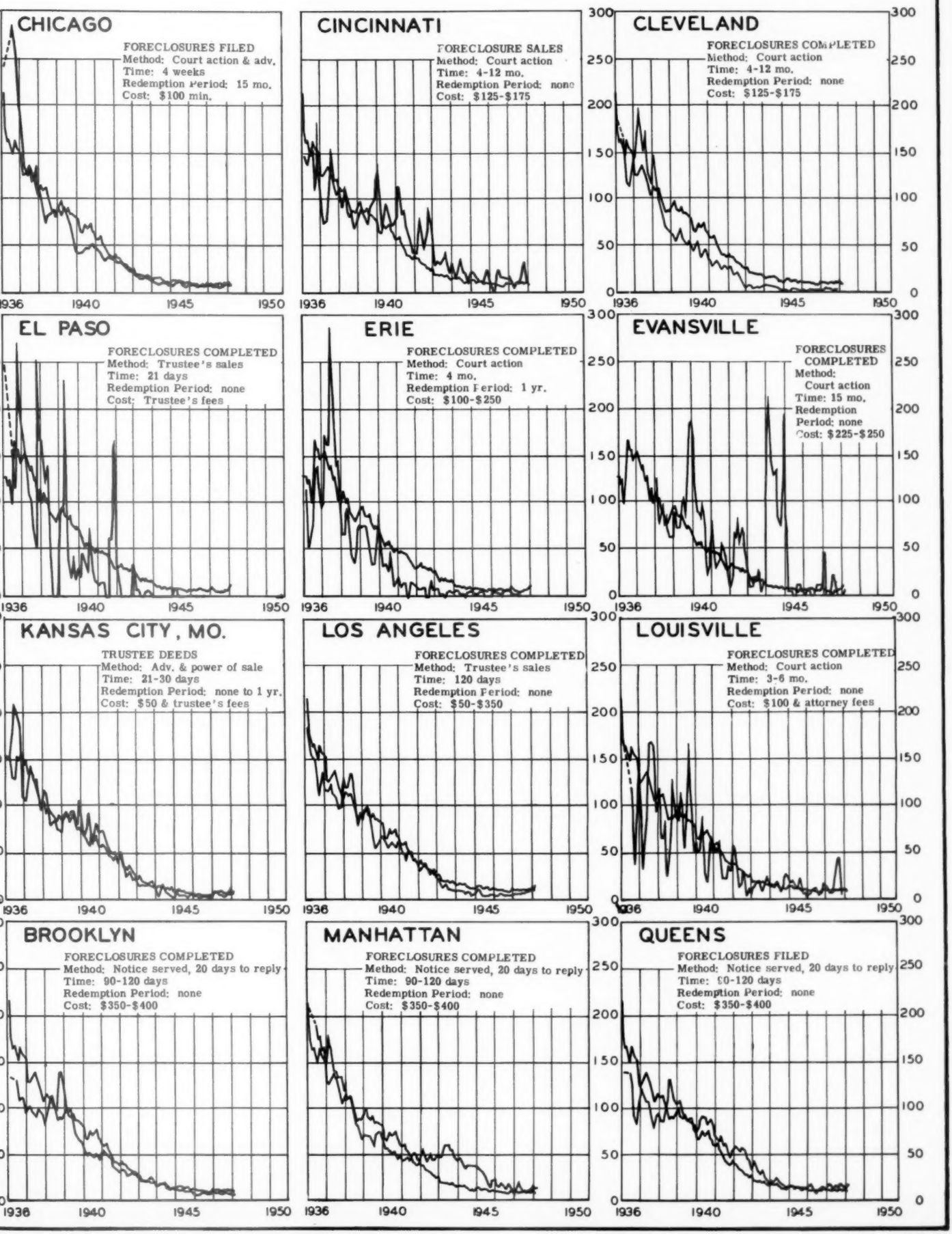






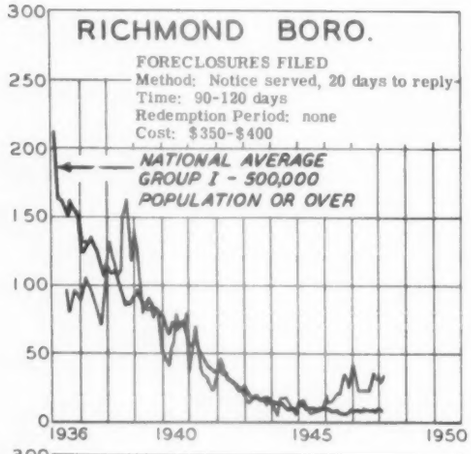


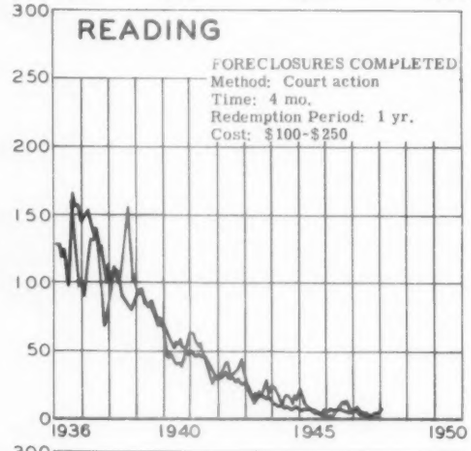


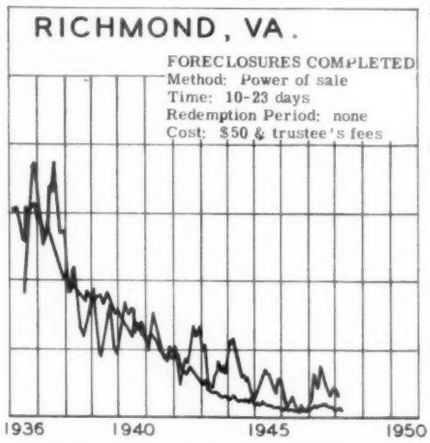

CHICAGO
FORECLOSURES FILED
Method: Court action & adv.
Time: 4 weeks
Redemption Period: 15 mo.
Cost: $100 min.
CINCINNATI
FORECLOSURE SALES
Method: Court action
Time: 4-12 mo.
Redemption Period: none
Cost: $125-$175
CLEVELAND
FORECLOSURES COMPLETED
Method: Court action
Time: 4-12 mo.
Redemption Period: none
Cost: $125-$175
EL PASO
FORECLOSURES COMPLETED
Method: Trustee's sales
Time: 21 days
Redemption Period: none
Cost: Trustee's fees
ERIE
FORECLOSURES COMPLETED
Method: Court action
Time: 4 mo.
Redemption Period: 1 yr.
Cost: $100-$250
EVANSVILLE
FORECLOSURES COMPLETED
Method: Court action
Time: 15 mo.
Redemption Period: none
Cost: $225-$250
KANSAS CITY, MO.
TRUSTEE DEEDS
Method: Adv. & power of sale
Time: 21-30 days
Redemption Period: none to 1 yr.
Cost: $50 & trustee's fees
LOS ANGELES
FORECLOSURES COMPLETED
Method: Trustee's sales
Time: 120 days
Redemption Period: none
Cost: $50-$350
LOUISVILLE
FORECLOSURES COMPLETED
Method: Court action
Time: 3-6 mo.
Redemption Period: none
Cost: $100 & attorney fees
BROOKLYN
FORECLOSURES COMPLETED
Method: Notice served, 20 days to reply
Time: 90-120 days
Redemption Period: none
Cost: $350-$400
MANHATTAN
FORECLOSURES COMPLETED
Method: Notice served, 20 days to reply
Time: 90-120 days
Redemption Period: none
Cost: $350-$400
QUEENS
FORECLOSURES FILED
Method: Notice served, 20 days to reply
Time: 90-120 days
Redemption Period: none
Cost: $350-$400
1936
1940
1945
1950
0
50
100
150
200
250
300

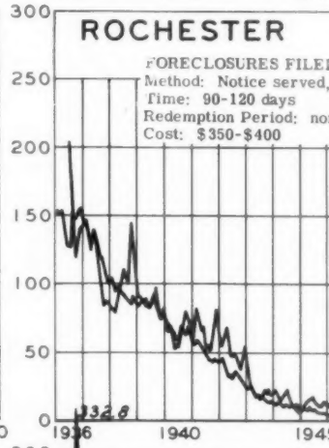
FLUCTUATIONS

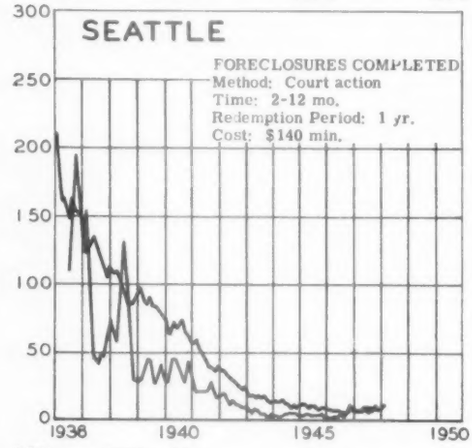
INDEX 1937 - 1939 = 100 (SEASONALLY CORRECTED)

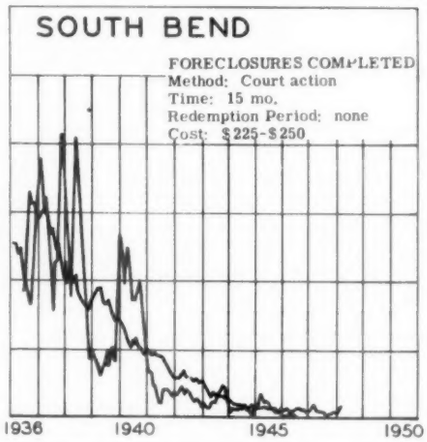


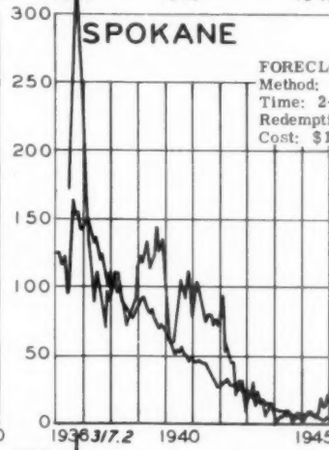


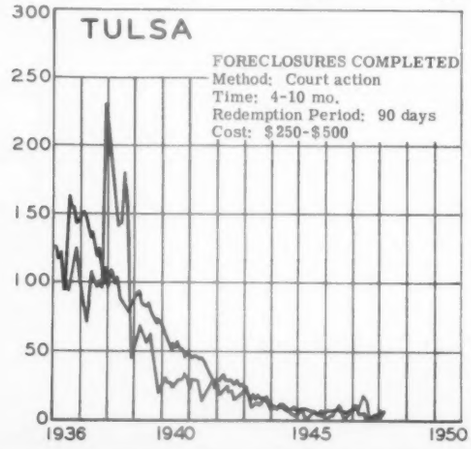


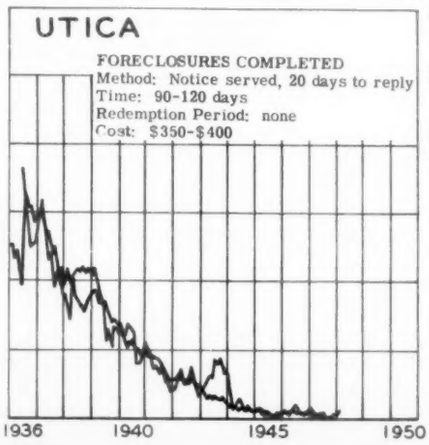


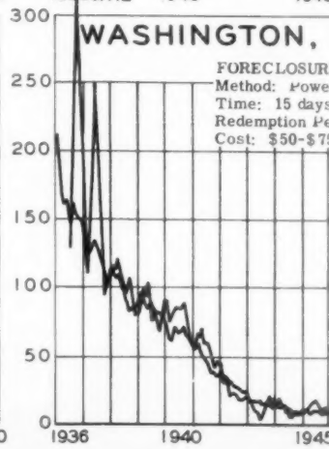












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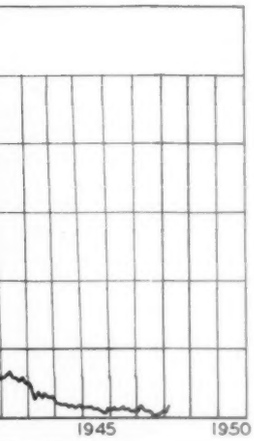
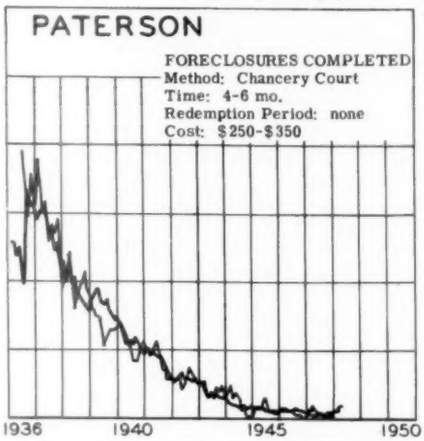
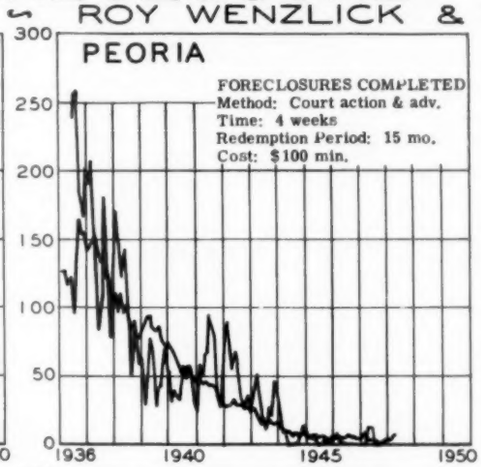
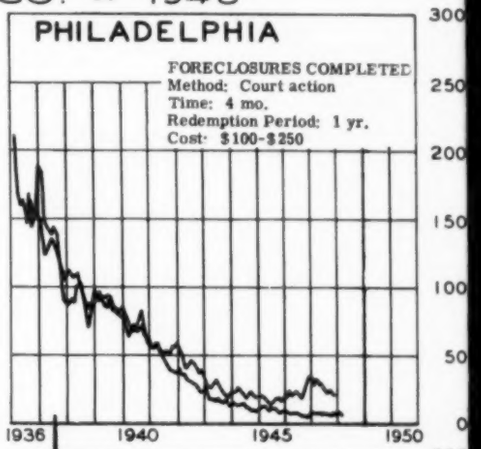
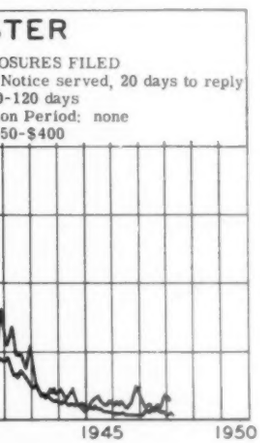
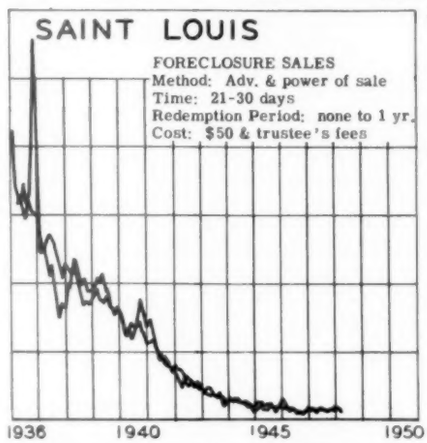


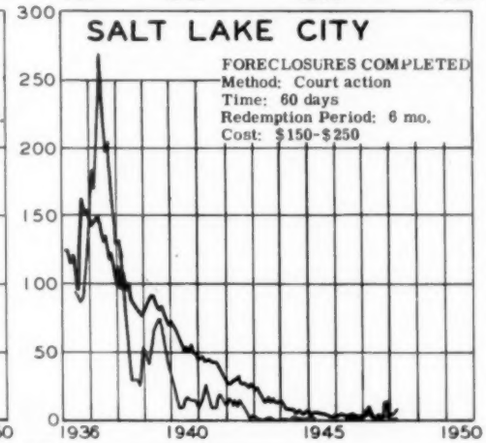


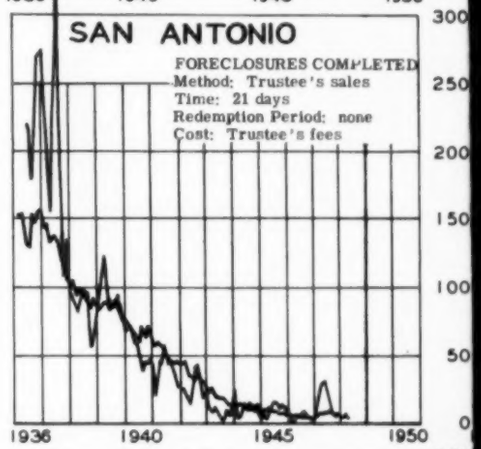


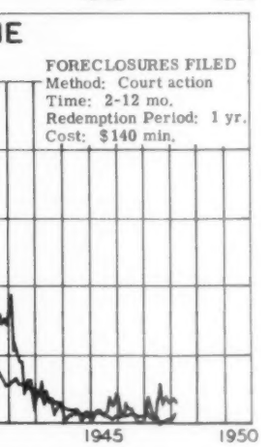


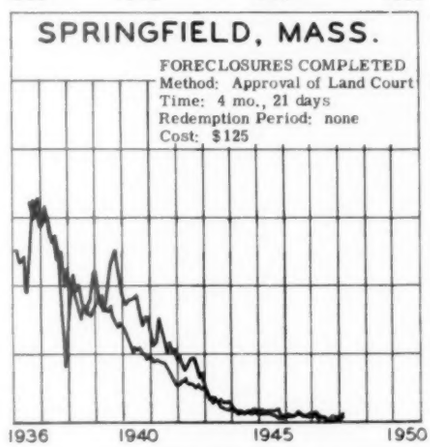


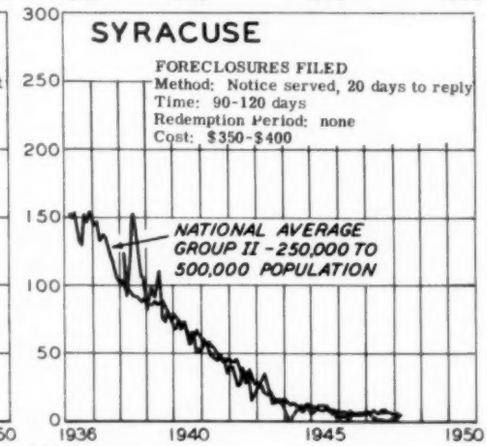


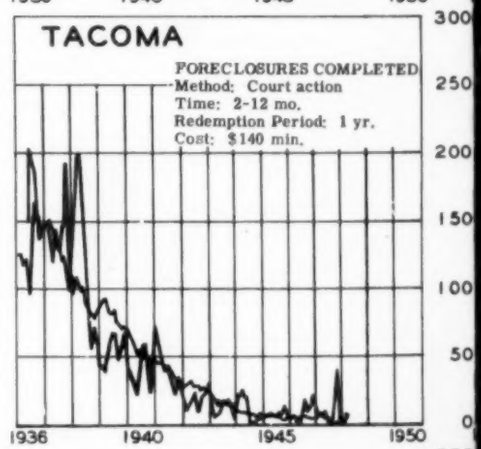


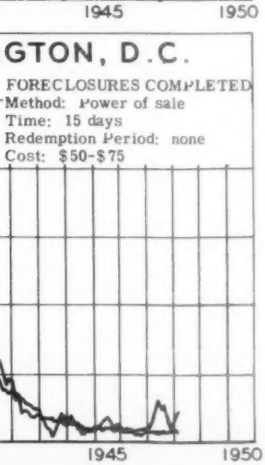


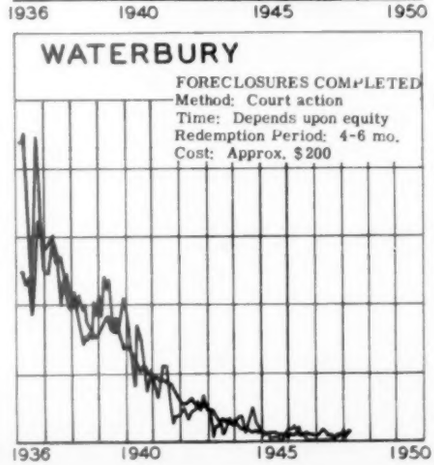


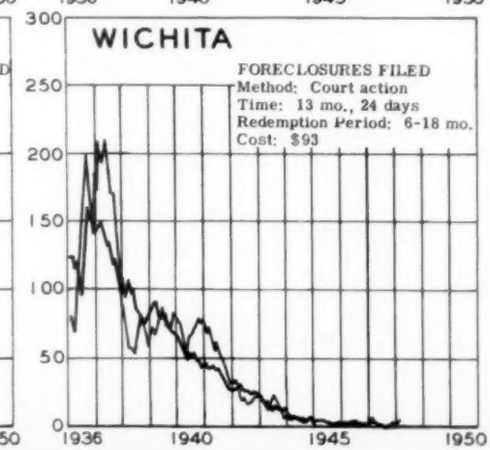


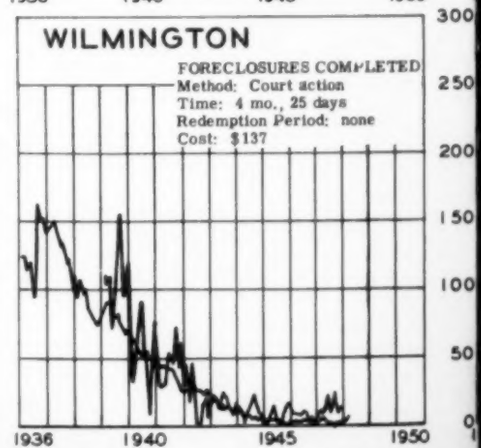




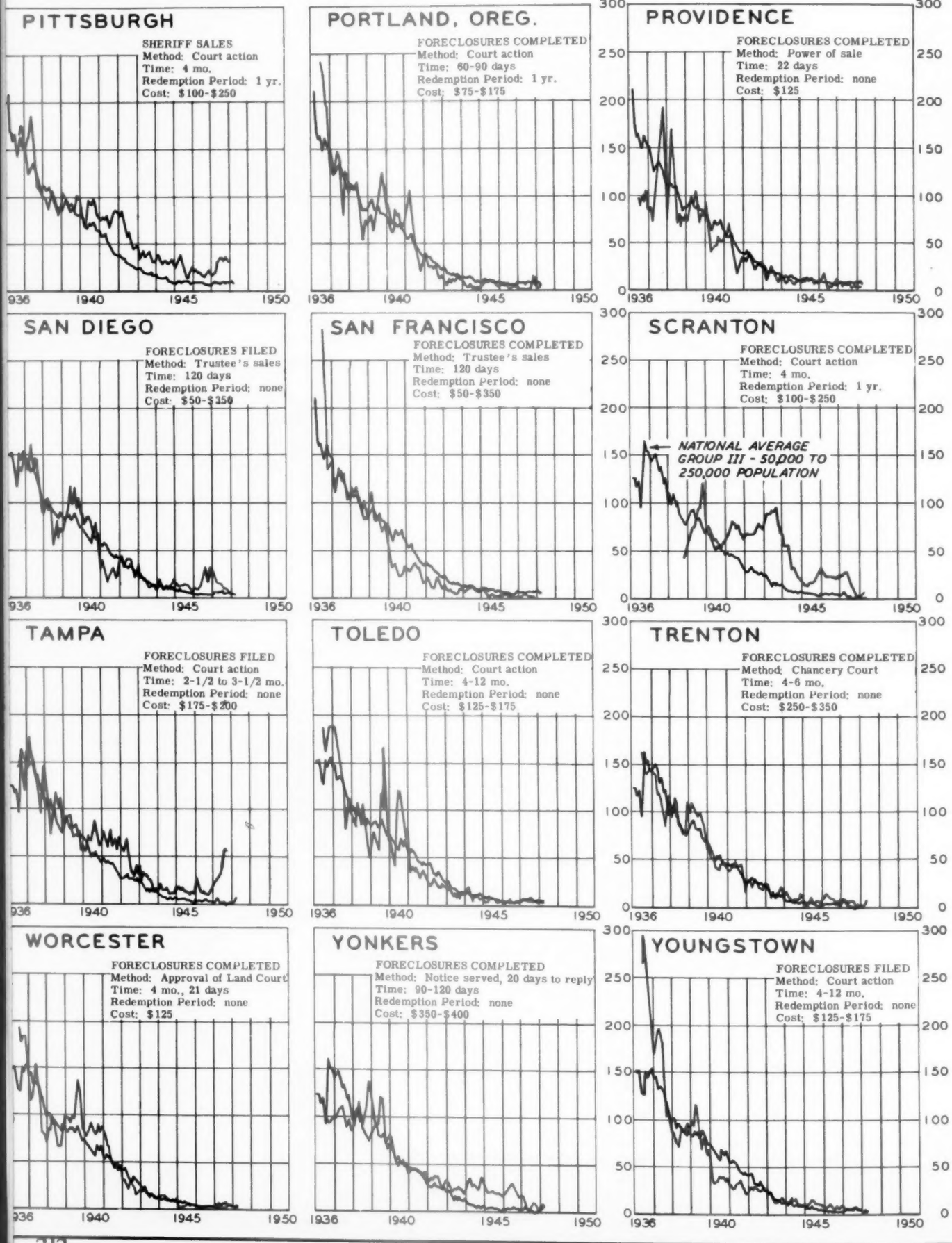








RINCIPAL CITIES



FORECLOSURE FLUCTUATIONS IN 84 CITIES
(cont. from page 201)

It is well to remember that the charts are on an index basis and that the comparison between cities should be made on the basis of whether the trends are up or down and not on a basis of whether one city has more or fewer foreclosures than another. The same is true when comparing each city with the national average.

We have segregated the cities into three population groups - 500,000 and over, 250,000 to 500,000, and 250,000 and less - and have taken a foreclosure average for each group. The individual charts, therefore, show foreclosures in each city (in blue), and the foreclosure average for cities of the same size (in red). The national average chart shows the averages of these three groups on a single chart. It should be noted how closely foreclosures in the three groups of cities follow each other, demonstrating that the size of the city has little, if any, effect on the foreclosure rate. For the most part foreclosure activity has been very sluggish for the past several years. This period of sluggishness is apparently nearing an end, and the foreclosure rate should begin to rise slowly sometime during the next year. For this reason we will bring these charts up to date every six or eight months.

Every effort has been made to make this study as complete as possible; however, we will continue to supplement and enlarge the present data at every opportunity.

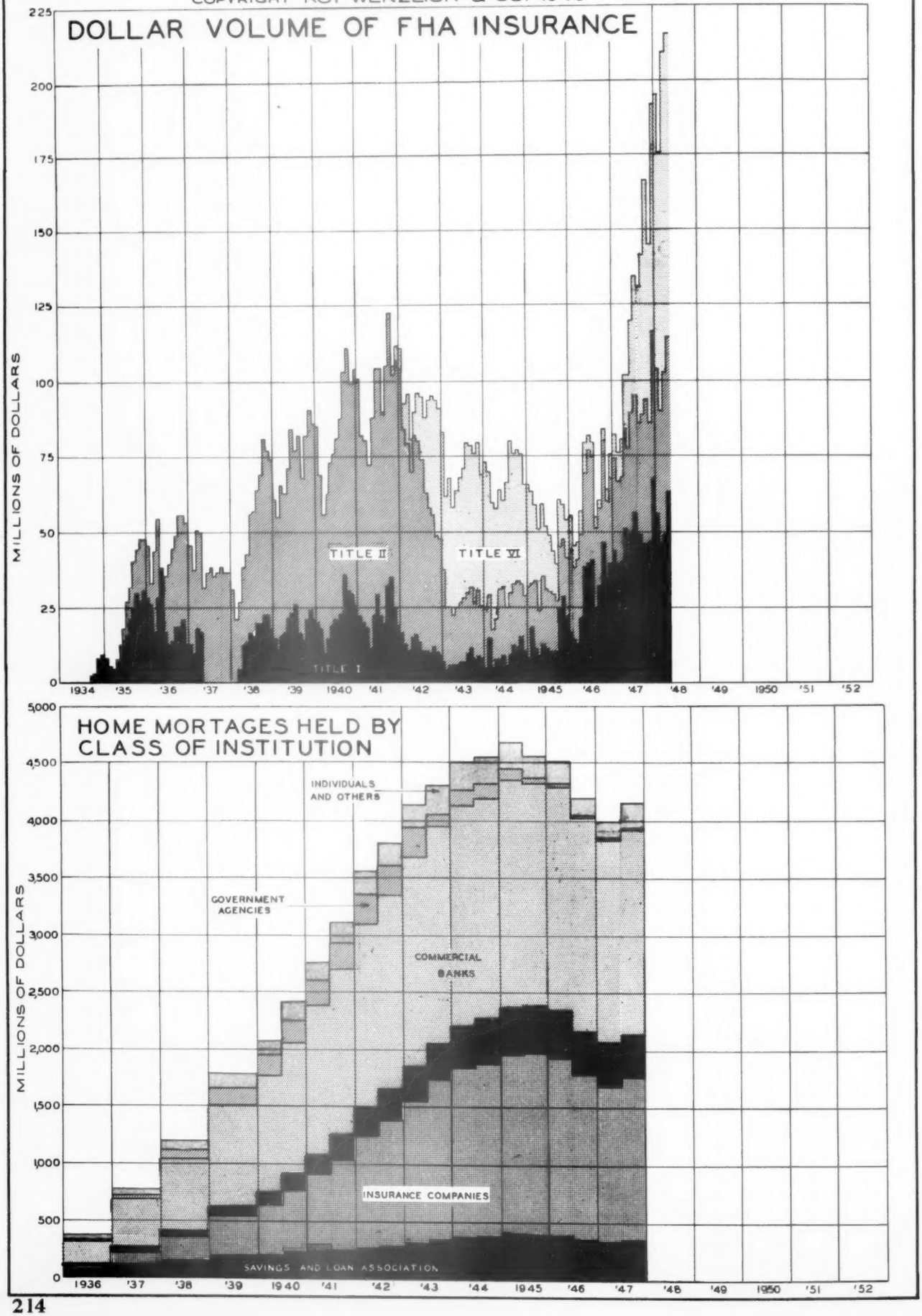
IMPROVED FARMING AND OUR STANDARD OF LIVING
(cont. from page 202)

ern States compared with the United States national average.

Notice that as the percentage of farm workers increases, the per capita income decreases. This problem of low per capita incomes which afflicts those States with too high a proportion of agricultural workers can be largely solved by heavier industrialization in those areas. This will cause a shift in the labor force from low-paying agriculture employment to the higher wages of factory work. This is now taking place very slowly in most of the southern States. As these workers leave the farms for the factory, agriculture's loss in manpower is frequently compensated for by additional mechanization or improved management technique. Thus, as the farm labor pool grows proportionately smaller, the income from agricultural products is distributed among fewer people. So we see that our progress in agriculture allows farm workers to move to factories at higher pay and at the same time enables the remaining farm labor pool to raise its per capita income.

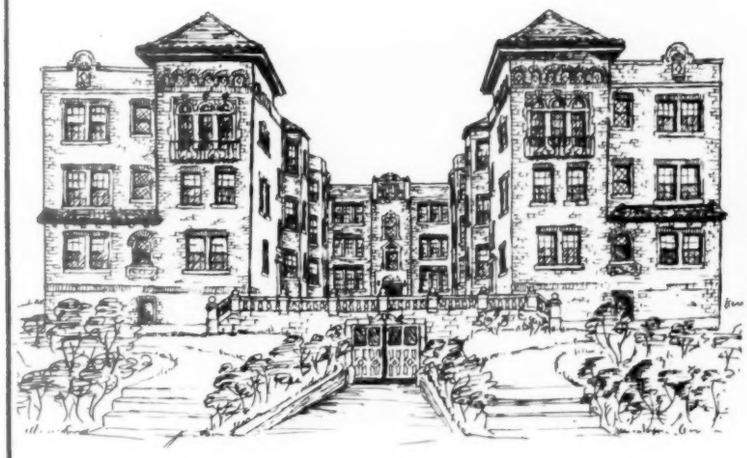
Another striking result of farm mechanization is the decrease in acreage necessary to grow feed for work animals. In 1915, 91,000,000 acres were devoted to raising feed for the horses and mules used as power in the United States. This represented 31 per cent of the total acreage harvested in that year. By 1945 the percentage had dropped to 11 per cent, or 35,000,000 acres devoted to raising feed for horses and mules. Of the 91 million acres used in 1915, only 16 million were used to grow feed for non-farm work animals, and of the 35 million acres used in 1945, only 1 million were used to grow feed for non-farm work animals. Thus, it can be seen that the mechanization of our farms has provided the additional blessing of more acres for production for human consumption.

FHA FINANCING



INCREASES IN BUILDING COSTS SINCE 1939

(SAINT LOUIS)



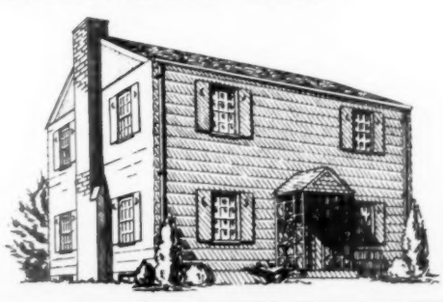
30-UNIT REINFORCED CONCRETE APARTMENT
Content: 303,534 cubic feet
21,372 square feet
Cost 1939: $135,000
(44.5¢ per cubic foot; $ 6.33 per square foot)
Cost today: $280,029
(92.5¢ per cubic foot; $13.12 per square foot)
INCREASE OVER 1939 = 107.2%

18-FAMILY BRICK APARTMENT (FRAME INTERIOR)
Content: 168,385 cubic feet
13,260 square feet
Cost 1939: $ 60,300
(35.8¢ per cubic foot; $4.55 per square foot)
Cost today: $130,475
(77.5¢ per cubic foot; $9.84 per square foot)
INCREASE OVER 1939 = 116.1%

SIX-ROOM BRICK HOUSE WITH FRAME INTERIOR
Content: 23,100 cubic feet
1,520 square feet
Cost 1939: $ 6,400
(27.7¢ per cubic foot; $4.21 per square foot)
Cost today: $13,693
(59.2¢ per cubic foot; $9.00 per square foot)
INCREASE OVER 1939 = 113.8%

SIX-ROOM FRAME HOUSE
Content: 25,376 cubic feet
1,650 square feet
Cost 1939: $ 5,894
(23.2¢ per cubic foot; $3.57 per square foot)
Cost today: $13,893
(54.8¢ per cubic foot; $8.42 per square foot)
INCREASE OVER 1939 = 136.0%

FIVE-ROOM BRICK VENEER HOUSE
Content: 23,913 cubic feet
1,165 square feet
Cost 1939: $ 5,440
(22.7¢ per cubic foot; $ 4.67 per square foot)
Cost today: $12,151
(50.8¢ per cubic foot; $10.42 per square foot)
INCREASE OVER 1939 = 123.6%



POSTWAR INVENTORIES - 1946 - 1947

EXPRESSED IN PERCENTAGES ABOVE 1939 AVERAGE

INDEX - AVERAGE MONTH 1939 = 100